



NEWS RELEASE

CALIFORNIA STATE TREASURER PHIL ANGELIDES

MEDIA ADVISORY

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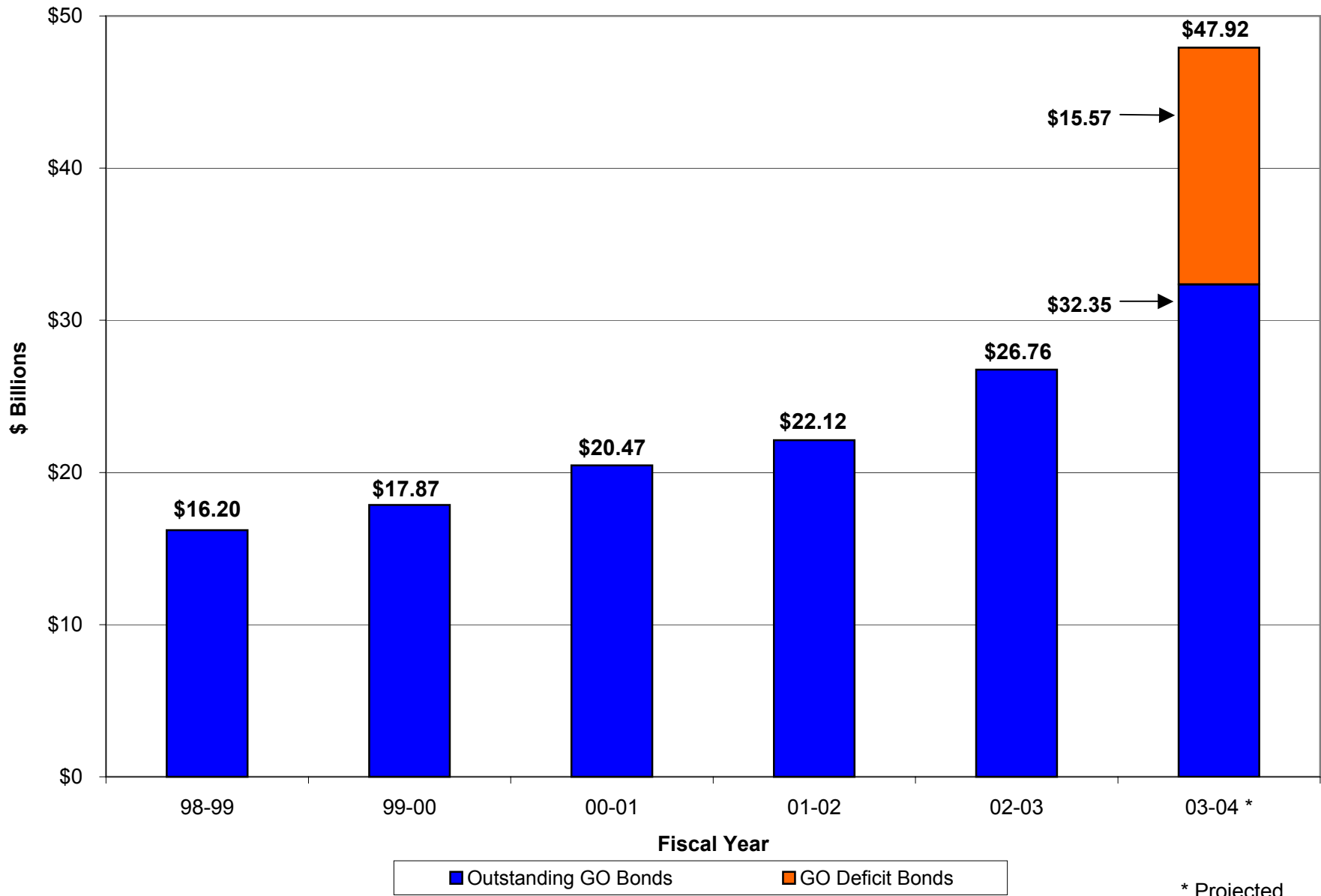
**ANGELIDES TESTIFIES BEFORE BOTH THE ASSEMBLY AND SENATE
BUDGET COMMITTEES ON GOV. SCHWARZENEGGER'S PLAN FOR UP TO
\$15 BILLION IN DEFICIT BORROWING BONDS**

SACRAMENTO, CA – California State Treasurer Phil Angelides today testified before both the Assembly and Senate budget committees regarding the Governor's proposed \$15 billion deficit borrowing plan. Angelides has long opposed deficit borrowing as a means to balancing the state budget. More recently, he has expressed concerns about the Governor's specific proposal for a deficit borrowing bond of up to \$15 billion, and spoke today before lawmakers about the plan's potential costs to future generations and its negative impact on other general-obligation bond borrowing for schools and critical infrastructure needs.

Attached please find five charts the Treasurer made reference to during his testimony today.

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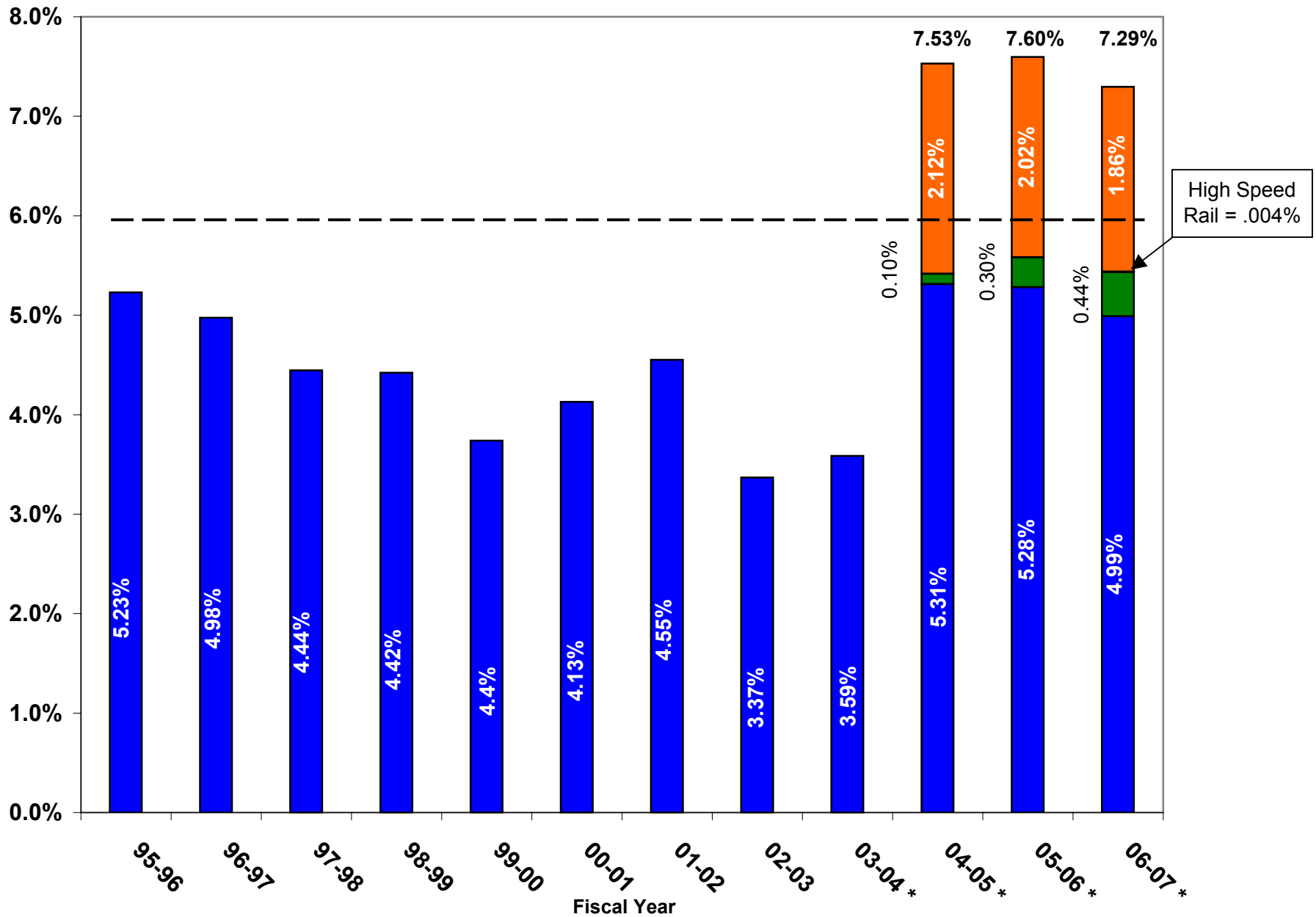
Outstanding General Obligation Bonds Actual and Projected



Financial Impact of Governor's Proposed General Obligation Deficit Bonds

Par Amount and Term	Annual Debt Service Payment	Total Debt Service Cost to Maturity	Total Debt Service Cost per California Household
\$15.57 billion, 15-year maturity	\$1.55 billion	\$23.20 billion (\$7.63 billion interest)	\$2,017
\$15.57 billion, 30-year maturity	\$1.17 billion	\$34.98 billion (\$19.42 billion interest)	\$3,042

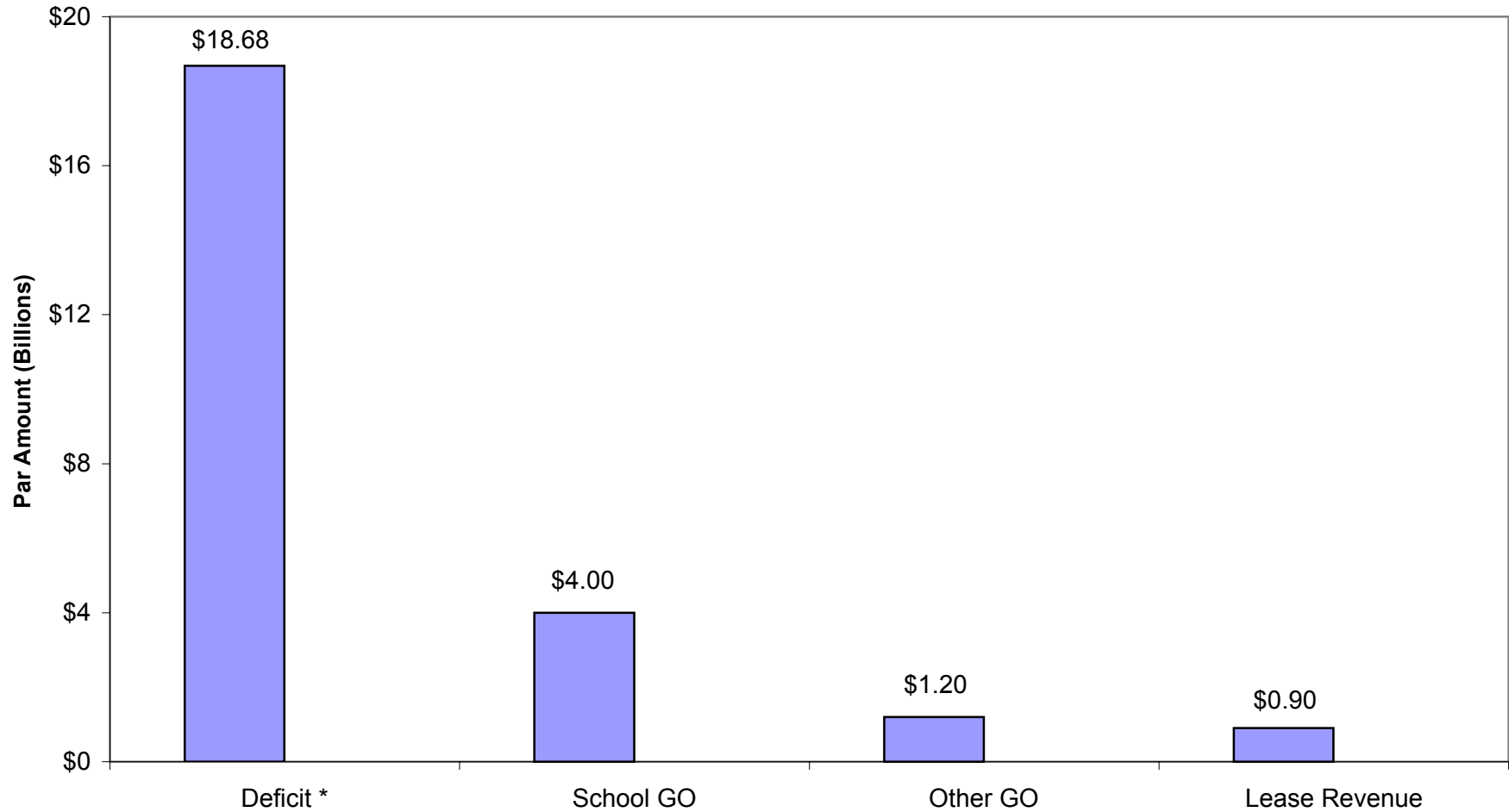
Ratio of Debt Service to General Fund Revenues **Accounting for Governor's General Obligation Deficit Bond Proposal**



■ Outstanding and Previously Authorized GO and Lease Revenue Bonds
 ■ Schools 2004 Bonds
 ■ High Speed Rail Bonds
 ■ GO Deficit Bonds

* Projected

Planned Bond Issuance Under Governor's Proposal Fiscal Year 2003-04



* Includes tobacco bonds, pension obligation bonds, and general obligation deficit bonds.

Recent and Projected Bond Issuance Levels Under Governor's Proposal

